



Legislation Text

File #: 18-215, **Version:** 1

Report Prepared by: Kim Espinosa, Planning Manager, Development Services Department

SUBJECT: Professional Services Agreement with LSA Associates and Reimbursement Agreement with Merced Mall, LP, for Preparation of an Environmental Document for the Merced Mall Expansion and Redevelopment Project

REPORT IN BRIEF

The City Council will consider approving a Professional Services Agreement with LSA Associates along with a Reimbursement Agreement with Merced Mall, LP, for preparation of an environmental document for the Merced Mall Expansion and Redevelopment Project.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Professional Services Agreement with LSA Associates in the amount of \$76,745.00 for preparation of an environmental document for the Merced Mall Expansion/Redevelopment Project; and,
- B. Approving the Reimbursement Agreement with Merced Mall, LP, in the amount of \$84,419.50 to cover the cost of the consultant contract and City staff management of the contract in the preparation of the environmental document; and,
- C. Approving the appropriation of funds to Account 017-0804-512-17-00-Professional Services in the amount of \$76,745.00 for payment to LSA Associates for planning services; and,
- D. Approving an increase in revenue in the amount of \$76,745.00 to Account 017-0804-360-01-02-Other Revenue Developers and \$7,674.50 to Account 017-0804-331-03-25-Environmental Impact Filing EIR for staff administration of the environmental process (approval is contingent upon execution of the agreements); and,
- E. Authorizing the City Manager or Assistant City Manager to execute the documents.

ALTERNATIVES

- 1. Approve the agreements, as recommended by staff; or,
- 2. Approve the agreements, subject to modifications by City Council (identify specific items to be amended in the motion); or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items (to be addressed in the motion); or,
- 5. Continue to a future City Council meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200

CITY COUNCIL PRIORITIES

This item is aligned with the City Council's priority for economic development.

DISCUSSION

Proposed Project

The developers, Merced Mall, LP, recently submitted an application to the City for the expansion and redevelopment of the Merced Mall in two phases. Phase I will involve the expansion of Buildings B and D by a total of 50,000 square feet along with significant façade improvements. There are two options under consideration for Phase II, which involve the expansion of the theatre. Alternative I would involve expanding Building C between JC Penney and Kohl's to 72,000 square feet for an expanded theatre, while Alternative II would involve the expansion of the theatre to 72,000 square feet at its existing location that would also require demolition of two existing buildings. Attachment 1 depicts the Phase I improvements and the two Phase II Alternatives. The Merced Mall sits on 52 acres, generally bound by West Olive Avenue to the south, R Street to the west, Loughborough Drive to the north, and M Street to the east.

Requested entitlements include a Site Utilization Plan Revision to Planned Development No. 1 to approve the changes to the Site Plan, and a Sign Ordinance Amendment to allow a new Shopping Center sign (details of which are still pending). In order for the Planning Commission and City Council to consider the project, an environmental analysis will need to be prepared under the provisions of the California Environmental Quality Act (CEQA).

Selection of the Environmental Consultant

City staff and the project applicants are recommending that LSA Associates be selected as the environmental consultant due to their experience with similar projects and their understanding and level of analysis of the project issues in the subject area. LSA Associates and its staff members who will work on the project have the required experience and qualifications to complete the proposed environmental work.

Terms of the Agreements

Attachment 2 contains the recommended agreement for professional services which includes a scope of services, budget and the anticipated schedule. The scope of work will include the preparation of an initial study in anticipation of the preparation of a Mitigated Negative Declaration (if it is determined that an Environmental Impact Report is required, the scope will need to be amended), and technical studies that include cultural resources and traffic. All the work will be performed by LSA Associates with no sub-consultants proposed.

As indicated in the reimbursement agreement (Attachment 3), the applicant will pay for the entire consultant cost (\$76,745) in three equal payments of \$20,000 each plus one final payment of \$16,745, with the first payment due upon execution of the contract and the other payments due at

intervals of 30, 60, and 120 days from the execution of the agreement. The applicants will also reimburse the City for staff time spent on administering the environmental process based on actual cost of time, services and materials. An additional deposit of \$7,674.50 (ten percent of the cost of the environmental review) is required upon execution of the agreement. In fact, the applicants have already provided the City with both payments due upon execution.

The applicants also acknowledge in Section 2 of the reimbursement agreement (Attachment 3) that "the contract with the Consultant is being entered into by the City as an accommodation to the Developer to facilitate the evaluation of the project and does not guarantee any particular result of outcome. Developer further acknowledges and agrees that it shall have no control over the work product of the Consultant, and that its payment of the costs is not dependent thereon."

IMPACT ON CITY RESOURCES

The entire cost for preparing the environmental document (\$76,745) will be reimbursed to the City by the developers as well as the costs (\$7,674.50) to cover City staff management of the consultant contract and environmental process. Actions to appropriate the revenue to the corresponding Accounts in the Development Services Department budget are included in the recommendation.

ATTACHMENTS

1. Proposed Site Plan Options for Merced Mall Expansion/Redevelopment
2. Professional Services Agreement with LSA Associates
3. Reimbursement Agreement with Merced Mall, LLC